

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AF-06 ARA-06 EA-06 NEA-09 RSC-01

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-01 INR-07 NSAE-00

CG-00 COA-01 DLOS-03 IO-10 ABF-01 OMB-01 TRSE-00 PA-01

PRS-01 USIA-06 OIC-02 /082 W
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P 041832Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 7923

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E.O. 11652: N/A

TAGS: AORG, IMCO

SUBJ: IMCO HEADQUARTERS FACILITIES

1. EMBASSY RECEIVED LETTER FEB 4 FROM IMCO SENT BY UK GOVERNMENT (JOHN STEELE) STATING ITS WILLINGNESS TO GRANT LOAN TO ORGANIZATION "AT PREFERENTIAL TERMS" OVER "PERIOD OF YEARS" TO ASSIST IMCO TO PURCHASE NEW SITE AND BUILDING FOR HEADQUARTERS OR PAY FOR A SUITABLE EXISTING BUILDING AND NEEDED ADDITIONS AND RENOVATION TO MAKE IT SUITABLE FOR ORGANIZATION.

2. UK LETTER AND REPORT TO BE GIVEN BY SECGEN SRIVASTAVA OF HIS NEGOTIATIONS WITH UK GOVERNMENT (JOHN STEELE) OVER PAST SEVERAL MONTHS ABOUT NEW HEADQUARTERS IS TO BE SUBJECT OF WORKING GROUP MEETING AT IMCO FRIDAY, FEB. 7.

3. TEXT OF UK LETTER FOLLOWS:

"AS YOU KNOW THE BRITISH GOVERNMENT HAS BEEN CONSIDERING THE QUESTION OF INCO'S FUTURE ACCOMMODATION IN THE LIGHT, IN PARTICULAR, OF THE DISCUSSIONS IN THE WORKING GROUP SET UP BY THE COUNCIL. I AM NOW ABLE TO INFORM YOU THAT THE

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GOVERNMENT IS WILLING TO ASSIST THE ORGANIZATION TO OBTAIN

A LARGER HEADQUARTERS BUILDING, EITHER BY NEW CONSTRUCTION, OR, IF IT PROVES POSSIBLE, BY THE ADAPTATION OF AN EXISTING BUILDING. SUCH A BUILDING WOULD INCLUDE CONFERENCE FACILITIES AND WOULD CONTAIN OFFICE ACCOMMODATION SUFFICIENT TO MEET THE NEEDS OF THE ORGANIZATION FORESEEN FOR TWENTY YEARS HENCE.

"2. AS IMCO IS NOW PLANNING TO PROVIDE FOR ITS NEEDS OVER A PERIOD OF SUCH LENGTH, IT SEEMS TO THE GOVERNMENT THAT IT WOULD BE BOTH IN ITS INTERESTS AND IN THOSE OF IMCO IF IT PROVIDED ITS HELP IN A DIFFERENT MANNER FROM THAT WHICH HAS BEEN USED IN THE PERIOD OF THE ORGANIZATION'S ESTABLISHMENT AND EARLY GROWTH. GIVEN THE UNCERTAINTIES OF FUTURE RENTS THE PURCHASE OF A BUILDING WOULD ENSURE THAT THE BRITISH CONTRIBUTION WAS OF A FINITE AND PREDICTABLE AMOUNT, AND ASSURE IMCO EQUALLY OF CERTAINTY IN ITS FUTURE OUTLAY AND GIVE IT THE ADVANTAGE OF OBTAINING OWNERSHIP OF AN IMPORTANT ASSET. WE HAVE IN MIND THEREFORE THAT THE GOVERNMENT SHOULD ADVANCE THE COST - OR THE GREATER PART OF IT - OF BUYING AND ADDING TO OR ADAPTING AS NECESSARY AN EXISTING BUILDING IF A SUITABLE ONE CAN BE FOUND. THE RATE OF INTEREST WOULD BE A PREFERENTIAL ONE AND REPAYMENTS WOULD EXTEND OVER A NUMBER OF YEARS. GIVEN THE SIGNIFICANT VARIATIONS IN LAND VALUES BETWEEN ONE PART OF LONDON AND ANOTHER, WE WOULD THINK IT NATURAL THAT THE CHOICE OF SITE SHOULD BE SUBJECT TO THE GOVERNMENT'S AGREEMENT. THE GOVERNMENT WOULD USE ITS GOOD OFFICES IN CONNECTION WITH THE PURCHASE OF A BUILDING OR SITE, AND WITH THE OBTAINING OF ANY NECESSARY PLANNING CONSENT OR OFFICE DEVELOPMENT PERMIT.

"3. IF THIS IS ACCEPTABLE TO YOU AS A BASIS FOR NEGOTIATION WE CAN BEGIN DISCUSSIONS ON THE TERMS OF THE LOAN AND A DETAILED CONSIDERATION OF THE SITES AVAILABLE."

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CIAE-00 COME-00 DODE-00 DOTE-00 FMC-01 INR-07 NSAE-00

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 7924

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4. COMMENT: SECGEN SRIVASTAVA CLEARLY PLEASED WITH UK RECOGNITION NOTED IN LETTER THAT IMCO SHOULD HAVE COMPLETE FACILITY FOR HEADQUARTERS INCLUDING APPROPRIATE CONFERENCE FACILITIES. HE ATTRIBUTES NEW COOPERATIVE UK STANCE TO GOOD OFFICES OF JOHN STEELE WHO HAS TAKEN OVER NEGOTIATION HE TOLD US HE NOW THINKING IN TERMS OF BUILDING COSTING ABOUT 8 TO 9 MILLION POUNDS WITH SITE ABOUT 6 MILLION POUNDS FOR TOTAL COST ABOUT 14 TO 15 MILLION POUNDS. THIS EXPENDITURE WOULD PROVIDE BUILDING OF ABOUT 155,000 SQUARE FEET MET INCLUDING SPACE FOR EXPANDED LANGUAGE SERVICES IN ANTICIPATION OF NEED FOR SUCH OVER LIFE OF BUILDING, PLUS ADDITIONAL OFFICE SPACE OF SOME 8 THOUSAND SQUARE FEET FOR OFFICES TO MEET OUR PROPOSAL FOR CAUCAUS AND DELEGATION SPACE AND SERVE DUAL PURPOSE OF FACILITATING LEASE OF CONFERENCE FACILITY WHEN THIS NOT IN USE BY IMCO. SITE PRESENTLY MOST ATTRACTIVE TO SECGEN IS IN AREA OF TOWER BRIDGE PRESENTLY OCCUPIED BY DERELICT WAREHOUSES WHICH HE UNDERSTANDS COULD BE DEVELOPED WITHIN FIGURE NOTED ABOVE. MORE COMPLETE REPORT OF SRIVASTAVA'S VIEW EXPECTED AT FEB 7 MEETING.

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5. ACTION REQUESTED: DEPARTMENT VIEWS ON UK PROPOSAL WE CAN USE AT WORKING GROUP MEETING FEB 7 REQUESTED.

SPIERS

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Margaret P. Grafeld
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